

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5228-01  
Bill No.: SB 1063  
Subject: Boards, Commissions, Committees, Councils; Health Care; Licenses -  
Professional; Science and Technology  
Type: Original  
Date: March 29, 2010

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Bill Summary: Licenses clinical laboratory personnel.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Clinical Laboratory Science	\$0	\$722,540	(\$238,797)
PR Fees	(\$291,448)	\$0	\$0
Criminal Records	Unknown	Unknown	Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown less than \$291,448)</b>	<b>Unknown greater than \$722,540</b>	<b>(Unknown less than \$238,797)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 9 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Clinical Laboratory Science Fund	3.5	3.5	3.5
<b>Total Estimated Net Effect on FTE</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

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### **ASSUMPTION**

Officials from the **Office of State Courts Administrator, Department of Revenue, Office of State Treasurer, and Missouri Senate** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of the Governor (GOV)** do not anticipate the GOV will incur added costs as a result of this bill. However, if additional duties are placed on the office related to appointments in other TAFP legislation, there may be the need for additional staff resources in future years.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Office of Administration - Administrative Hearing Commission** anticipate the legislation will not significantly alter its caseload. However, if similar bills also pass, there are more cases, or the cases are more complex, there could be a fiscal impact.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources. The proposal would allow the board to refer violations of the act to the local prosecuting attorney.

Officials from the **Department of Corrections (DOC)** state the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY 09 average of \$3.71 per offender, per day, or an annual cost of \$1,354 per offender). The DOC assumes the narrow scope of the crime will not encompass a large number of offenders and the low felony status enhances the possibility of plea-

ASSUMPTION (continued)

bargaining or imposition of a probation sentence. The probability also exists that offenders would be charged with a similar, but more serious offense, or that sentences may run concurrent to one another. Therefore, supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide competent, effective representation for any new cases arising where indigent persons are charged with the proposed new crimes relating to the licensing of laboratory personnel - new Class A misdemeanors.

Passage of bills increasing penalties on existing crimes, or creating new crimes, requires the SPD system to further extend resources. While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all its cases.

**Oversight** assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Department of Health and Senior Services (DOH)** state the Division of Professional Registration has been give administration of this program and the board created in the proposed legislation. The approved certification examination is a competency-based certification examination administered by an approved credentialing agency, similar to a person sitting for a Certified Public Accountant exam. The certification is not for the agency, but for an individual. The DOH does not typically incur costs for employees to sit for such exams. However, for existing employees not required to be certified at the time of their employment, DOH may be obligated to pay for their fees in order to keep experienced staff.

In previous versions of this legislation, the Division of Professional Registration estimated a licensing fee of \$130. The DOH estimates the application fee to be nominal, such as \$25. The State Public Health Lab (SPHL) assumes the cost for licensing to be between \$0 and \$7,750 in the first fiscal year [\$25 application fee + \$130 license fee/person X 0 to 50 employees]. The SPHL assumes that employees hired after the legislation has become effective would obtain the certification on their own, prior to applying with the department or other laboratories within the state.

**Oversight** assumes the DOH can absorb potential licensing fees for current employees.

HWC:LR:OD

ASSUMPTION (continued)

Officials from the **Department of Public Safety - Missouri State Highway Patrol (MHP)** state if the proposal is enacted, the bill would require clinical laboratory personnel to submit to a background check through the State Criminal History Repository. Because there is no way to accurately estimate this number, the MHP assumes an unknown impact.

However, the charge for each background check processed is \$39.25. Twenty dollars for the state fingerprint check and an additional \$19.25 for the nationwide federal check (\$20 = \$19.25 = \$39.25). The state retains \$20; of the \$19.25, the state pays the FBI \$17.25 and keeps \$2 for a pass-thru fee.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume approximately 8,000 individuals in the state of Missouri will be required to be licensed based on a projection from the Missouri Economic Research and Information Center. In addition, a 3% annual growth rate in clinical laboratory personnel is projected..

The projected revenue reflects an initial licensing fee of \$123 per licensee beginning in FY 12 and a biennial renewal license fee of \$120 that will begin being collected in FY 14. A 3% growth rate is estimated. Once the fees for the board are established by rule, other fees could offset the estimated costs.

It is assumed that all fees collected would be deposited into the Clinical Laboratory Science Fund and that all expenses would be paid out of that fund. It is assumed no revenue will be generated by the Missouri Clinical Laboratory Science Board in FY 11. Therefore, expenses incurred by the board will be paid back to the PR Fees Fund by a lending board within the division, pursuant to 324.106, RSMo. It is estimated that payback of any outstanding loans would be made in FY 14. However, should the number of licensee vary significantly from the number estimated, the licensure fees will be adjusted accordingly.

The proposed legislation will create the need for 3.5 FTE as follows: 1.0 FTE Principal Assistant (full-time annual salary \$49,104) to serve as the senior executive officer of the agency; 1.0 FTE Licensure Technician II (full-time annual salary \$25,380) will be needed to provide technical support, process licensure applications and respond to inquiries regarding licensure law; 0.5 FTE Investigator II (full-time annual salary \$35,592) to conduct investigations and inspections, serve notices and gather information as required by the board; and 1.0 FTE Administrative Office Support Assistant (full-time annual salary \$26,784) to assist with board meetings, complaints, discipline and responding to inquiries relating to licensure laws, rules and regulations.

ASSUMPTION (continued)

It is assumed that the board will meet four times per year. Board meeting expenses are estimated to be \$9,108 for FY 11; \$9,381 for FY 12; and \$9,663 for FY 13 plus per diem.

Printing and postage expenses for the first year include printing of rules, applications, letterhead and envelopes, as well as cost associated with mailings for initial licensure. Subsequent year's printing and postage is based on a board of similar size. Printing and postage expenses are estimated to be \$100,000 for FY 11; and \$15,250 annually for FY 12 and FY 13.

Based on a board of similar size, it is estimated that the board will receive approximately 435 complaints, beginning in FY 12. It is estimated that 30% of the complaints filed will require field investigations and it is estimated that 50% of the complaints that are investigated will require an investigator to incur overnight expenses. Therefore, beginning in FY 12, it is estimated there will be approximately \$9,230 in travel and investigative expenses; FY 13 travel and investigative expenses are estimated to be \$9,792.

Costs are calculated for services provided to the division by the AGO and the Administrative Hearing Commission (AHC). It is anticipated \$48,867 will be incurred annually, based on a board of similar size, for the AGO and AHC.

Boards within the division incur division-wide expenses based on specific board licensee averages, in addition to the DIFP and Office of Administration cost allocation plans. Approximately \$49,319 in additional expenses will be considered in calculating the anticipated license and renewal fees although these costs will not require additional appropriation for the Professional Registration Transfer Core budget.

**Oversight** assumes the division-wide expenses allocated to the Clinical Laboratory Science Fund will result in an equal reduction in expenses allocated to other Boards within the Division of Professional Registration.

Officials from the **Office of Prosecution Services** did not respond to our request for a statement of fiscal impact.

**This proposal will result in an increase in total state revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
<b>CLINICAL LABORATORY SCIENCE FUND</b>			
<u>Transfer-In - from PR Fees Fund</u>	\$291,448	\$0	\$0
<u>Revenue - DIFP</u>			
Registration/renewal fees	\$0	\$984,000	\$29,520
<u>Costs - DIFP</u>			
Personal service	(\$101,701)	(\$125,092)	(\$128,219)
Fringe benefits	(\$55,220)	(\$67,486)	(\$69,126)
Equipment and expense	(\$130,927)	(\$48,729)	(\$49,981)
AGO, AHC, Board member per diems	(\$3,600)	(\$20,153)	(\$20,991)
Total <u>Cost - DIFP</u>	<u>(\$291,448)</u>	<u>(\$261,460)</u>	<u>(\$268,317)</u>
FTE Change - DIFP	3.5 FTE	3.5 FTE	3.5 FTE
<b>ESTIMATED NET EFFECT ON CLINICAL LABORATORY SCIENCE FUND</b>	<b><u>\$0</u></b>	<b><u>\$722,540</u></b>	<b><u>(\$238,797)</u></b>
Estimated Net FTE Change on Clinical Laboratory Science Fund	3.5 FTE	3.5 FTE	3.5 FTE
<b>PR FEES FUND</b>			
<u>Transfer-Out - to Clinical Laboratory Science Fund</u>	<u>(\$291,448)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON PR FEES FUND</b>	<b><u>(\$291,448)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>CRIMINAL RECORDS FUND</b>			
<u>Income - DPS-MHP</u>			
Increase in background check fees	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<b>ESTIMATED NET EFFECT ON CRIMINAL RECORDS FUND</b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>

FISCAL IMPACT - Local Government

FY 2011  
(10 Mo.)

FY 2012

FY 2013

\$0

\$0

\$0

FISCAL IMPACT - Small Business

The proposal may fiscally impact small businesses that employ clinical laboratory technician personnel if they pay licensure fees.

FISCAL DESCRIPTION

This proposal establishes licensing standards for different types of clinical laboratory science personnel. The proposal licenses medical laboratory scientists, categorical laboratory scientists, clinical laboratory technicians and clinical laboratory assistants.

The proposal establishes the Clinical Laboratory Science Board consisting of nine members appointed by the Governor with the advice and consent of the Senate. Among other duties, the board shall establish educational standards and procedures for granting reciprocity for licensees from other states.

Applicants for licensing are required to be at least 18 years old, submit an application, pay a fee, submit to a background check, pass certain examinations, and meet specific educational requirements.

Current practitioners of clinical laboratory science, who are eligible for certification by an agency acceptable to the board and have applied to the board may continue to perform their duties until twelve months after the filing of their application. If a person does not meet the education, training, and experience requirements for a license before August 28, 2012, they shall be considered to meet the qualifications for a license if they have three years of acceptable experience in the five years before August 28, 2012.

The board is also authorized to seek injunctions against unlicensed clinical laboratory science personnel and subpoena individuals and documents.

Any person who violates this act shall be guilty of a class A misdemeanor.

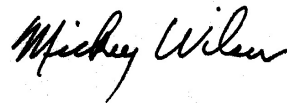
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.



SOURCES OF INFORMATION

Office of Attorney General  
Office of Administration -  
    Administrative Hearing Commission  
Office of State Courts Administrator  
Department of Insurance, Financial Institutions, and Professional Registration  
Department of Corrections  
Department of Health and Senior Services  
Department of Revenue  
Department of Public Safety -  
    Missouri State Highway Patrol  
Office of the Governor  
Missouri Senate  
Office of Secretary of State  
Office of State Public Defender  
Office of State Treasurer

**NOT RESPONDING: Office of Prosecution Services**



Mickey Wilson, CPA  
Director  
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